

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4558

September 5, 2013

RESOLUTION

Resolution E-4558. Resolution approving Southern California Edison (SCE) Advice Letter 2726-E (Electric Rate Schedule ESC-OO for Edison SmartConnect Opt-Out Program).

PROPOSED OUTCOME: This Resolution approves Advice Letter 2726-E and rejects the protest of Consumers Power Alliance. This Resolution also further clarifies the cases where SCE can install a digital non-communicating meter for customers electing to opt-out.

SAFETY CONSIDERATIONS: This tariff permits SCE to operate its electric distribution system in a safe and reliable manner while still allowing residential customers to opt-out of receiving a wireless smart meter for any reason or no reason.

ESTIMATED COST: None.

By Southern California Edison Advice Letter 2726-E filed May 4, 2012.

SUMMARY

This Resolution approves the Tier 1 Advice Letter (AL) 2726-E and clarifies cases where a digital meter can be provided to customers electing to opt-out. On April 19, 2012, the California Public Utilities Commission (the CPUC or the Commission) established a SmartMeter Opt-Out Tariff for Southern California Edison (SCE) through a decision D.12-04-018 (the Decision). The Decision stated that the smart meter replacement must be the previous meter or previous meter form for existing customers. The decision did not specify whether customers who were currently on time-of-use (TOU) rates and wishing to opt-out should

receive a digital meter or whether they were required to receive an analog meter. SCE interpreted the decision to imply that the customers who are currently on a TOU rate could be given an option to either move to a non-TOU rate or remain on a TOU rate and be provided with a non-communicating digital meter. While the Decision did not specifically address this case, after additional analysis and review, the CPUC staff confirms that the SCE interpretation of the Decision is correct and consistent with CPUC policy.

The protest of Consumers Power Alliance is rejected.

BACKGROUND

In D.12-04-018 (Decision) issued April 19, 2012, the CPUC directed SCE to file a Tier 1 Advice Letter implementing a smart meter opt-out option for customers who do not wish to have a wireless smart meter, and to establish a SmartMeter Opt-Out Tariff with the CPUC specified opt-out fees. Specifically, in addition to the opt-out tariff, Ordering Paragraph 2 (OP 2) of the Decision ordered SCE to meet in its Advice Letter the following requirements:

- “1. Establish procedures for residential customers to select the opt-out option if they do not wish to have a wireless SmartMeter.
2. Establish procedures to inform customers that the Edison SmartConnect program has been modified to include an opt-out option for residential customers who do not wish to have a wireless smart meter at their location.
 - a. A customer currently on the delay list shall be informed that the customer will be scheduled to receive a wireless smart meter unless the customer elects to exercise the opt-out option.
 - b. Customers selecting the opt-out option shall be informed that they will receive the previous form of meter they had prior to the installation of a wireless smart meter. Therefore, an analog meter shall be the opt-out option for customers who previously had an analog meter at the time the wireless smart meter was installed, while the opt-out option for customers who previously

had a non-analog, non-smart digital meter will be a non-analog, non-smart digital meter.”¹

On May 4, 2012, in response to the CPUC directive, SCE filed a Tier 1 Advice Letter 2726-E, which requested the same effective date, seeking approval of its proposed procedures and one new rate schedule that allows residential electric smart meter opt-out service.

The Advice Letter includes Attachment B. This attachment contains the following procedures:

- (a) How SCE will inform customers, including those on the delay list, that the opt-out option is available.
- (b) The means for customers to inform SCE of their choice to opt-out of smart meter use.
- (c) How SCE will deem a customer to have elected service under the SmartMeter Opt-Out Program where the customer
 - has not responded to SCE’s notices and outreach *and*
 - has not provided reasonable access to the customer’s premises to allow SCE installers to install the smart meter.²

In several communications³ with SCE in June of 2012, CPUC staff clarified the case where a customer opts-out who is on a Time of Use (TOU) rate. Prior to smart meter installation, in the case where a customer is on a TOU rate, SCE has deployed a “non-communicating, non-smart, digital meter.” The customer may

¹ Decision 12-04-018 at p.32

²From SCE AL 2726-E, Attachment B at p. 2: “Pursuant to Decision 12-02-014, a customer must affirmatively elect to enroll in the Program to avoid the installation of an Edison SmartConnect meter. If the customer does not provide reasonable access to SCE to install an Edison SmartConnect meter after being provided notice of eligibility for service under the Program and not electing to opt-out, the customer shall be deemed to have elected service under this Program.”

³ Emails from Eric Yamashita, Regulatory Compliance and Legislative Affairs, Southern California Edison to Alope Gupta, CPUC Regulatory Analyst, dated June 21, 2012.

opt-out and retain this meter if they wish to stay on the TOU rate. If this meter is removed and a smart meter is installed, and then the customer opts-out, the SCE interpretation of Ordering Paragraph (OP) 1 of the Decision is expressed in Special Condition 2 of Schedule ESC-OO⁴. In this case, SCE will give the customer the choice to either

- switch to a non-TOU rate and receive an analog meter
- remain on a TOU rate and receive the non-communicating, non-smart digital meter.

NOTICE

Notice of AL 2726-E was made by publication in the Commission's Daily Calendar on May 11, 2012. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section IV of General Order 96-B to the GO 96-B and A.11-07-020 service lists on the filing date May 4, 2012.

PROTESTS

On May 24, 2012, Consumer's Power Alliance (CPA) filed a timely protest to AL 2726-E. The protest stated that the Advice Letter should be rejected because it contains "material errors or omissions, and because of these omissions of required specific data the advice letter, if implemented as filed, would be unjust, unreasonable, or discriminatory..."⁵

CPA's principal objections are stated as follows: a) "Attachment B should ...be integrated into the actual tariff of SCE..."; b) "...remove ambiguities in the Advice Letter in order to clarify proper implementation of the Decision..."; c) "...when SCE and proposed So Cal Gas opt-out fees are combined, they are discriminatorily and unreasonably double those of PG&E and SDG&E for similar electric and gas opt outs."⁶ CPA goes on to argue that a) the proposed customer notification procedures may be ineffective;⁷ b) ambiguities in the AL would allow

⁴ At SCE Schedule ESC-OO, Sheet 2

⁵ From Consumers Power Alliance Protest of Southern California Edison Advice Letter 2726-E at p.1

⁶ *Ibid.* at p. 2

⁷ *Ibid.* at p. 3

non-analog meters to be installed on a home that previously had an analog meter.⁸ CPA also states that the Commission should establish workshops to examine these issues.⁹

On June 1, 2012, SCE submitted a response to the CPA protest, arguing that the Advice Letter filing is fully compliant with the Decision and that CPA's recommendations should be denied. SCE further specifically responds to CPA's assertions as follows: 1) Specification of procedures in Attachment B complies with the Decision; 2) SCE's procedures for program enrollment include a posting on SCE.com and are fully compliant; 3) SCE's proposed procedure for meter replacement only allows for analog meter installation or the previous meter form, as specified in the Decision; 4) Program fees are compliant with the Decision.¹⁰ In all cases, SCE argues that CPA's recommendations be denied.

DISCUSSION

The CPUC finds that SCE interpretation of the Decision is correct and consistent with the CPUC policy. Customers who are currently on a TOU rate should be given an option to either receive an analog meter and move to a non-TOU rate or remain on their current TOU rate and receive a non-communicating digital meter.

OP 2 of the Decision directed SCE to file a Tier 1 Advice Letter including tariff sheets and procedures describing an opt-out option for customers who do not wish to have a wireless smart meter. OP 2 specifically directed SCE to inform customers selecting the opt-out option that they will receive their "previous meter form" which they had prior to the installation of the smart meter. In most instances, the previous meter or meter form will be an analog meter. In some instances, the previous meter form may be a non-analog, non-smart digital meter.

⁸ *Ibid.* at p. 4

⁹ *Ibid* at p. 7

¹⁰ SCE Reply to CPA's Protest of AL-2726-E at p.2-3

The Decision did not specifically address the situation with TOU customers that SCE describes in the Advice Letter. In the Advice Letter, SCE applied the Decision in the following way:

The following residential Schedules require time-of-use metering: TOU-D-1, TOU-D-2, TOU-D-T, TOU-D-TEV, TOU-EV-1, and CPP. Customers served under these Schedules may elect to opt-out of their Edison SmartConnect meter and take service under any non-time-of-use residential schedule for which they are eligible. Alternatively, customers may remain on their current time-of-use rate schedule and choose to elect service under this Opt-Out Schedule using a non-analog, non-smart digital time-of-use meter.¹¹

Since TOU rates require a digital meter in order to collect interval information, it is reasonable to infer that customers who are currently on a TOU rate schedule already have some form of a digital meter. Therefore, SCE is in compliance with the Decision that allows customers to receive their “previous meter form”. While CPA states that the SCE Tariff and Procedures would allow non-analog meters to be installed on a home that previously had an analog meter, the CPUC finds no evidence that this likely to take place. Since TOU rates technically require a digital meter, there is no way for a customer to currently be on a TOU rate and have an analog meter. Furthermore, if a customer is currently on a TOU rate, but would like to opt-out and receive an analog meter, SCE is providing this option through its Tariff by giving customers an option to move to a non-TOU rate and receive an analog meter. This interpretation is also consistent with opt-out tariffs of Pacific Gas and Electric (PG&E) and San Diego Gas & Electric (SDG&E). For example, the following is the section on Metering Equipment from PG&E’s Smart Meter Opt-Out Program tariff:

4. METERING EQUIPMENT:

A non-communicating meter will be used to provide electric service for customers who elect this option. For the great majority of customers, these meters will be analog meters. For a very small number of residential electric customers that require special meters, these meters will be non-communicating solid-state digital meters. For example, analog meters are

¹¹ Schedule ESC-OO Sheet 2

not available to support electric time-of-use service, such that analog meters may not be used for electric service under time-of-use rate schedules, including Schedules EM-TOU, EML-TOU, E-6, EL-6, E-7, EL-7, and E-9.

Customers served under time-of-use rate schedules may elect to have an analog non-communicating meter installed and take service under any non-time-of-use schedule for which they are eligible, such as Schedule E-1, or, alternatively, may remain on their current time-of-use rate schedule and choose to elect service under this Opt-Out Program using a non-communicating solid state digital time-of-use meter.¹²

The CPUC rejects the remainder of the CPA protest, as it does not satisfy grounds for protest under GO 96-B¹³ or is out of the scope of the subject AL.

Specifically, the remainder of the CPA protest states:

1. The procedures (given in the AL) to inform customers are inadequate or ineffective.

Response: The AL describes procedures to inform customers of the opt-out program that are compliant with the Decision. Whether or not these procedures can or will be effective is outside of the scope of the AL. The additional procedures described by the CPA protest would involve relitigating the Decision and therefore do not constitute allowed grounds for protest.

2. The fees described in the AL are discriminatory.

Response: The fees described in the AL are those that are specified in the Decision and are therefore compliant with the decision. Whether the fees as described are discriminatory would involve relitigating the Decision. Thus, this argument is not an allowed ground for protest under GO 96B.

¹² http://www.pge.com/tariffs/tm2/pdf/ELEC_SCHS_E-SOP.pdf

¹³ General Order 96-B, General Rules Section 7.4.2, Grounds for Protest

3. The Commission should hold workshops to examine the AL.

Response: The Commission, in issuing the Decision, thoroughly explored all aspects of the opt-out issue, including fees, procedures and other areas described in the CPA protest. Parties had ample opportunity to weigh in on all aspects of the Decision. The AL is fully compliant with the orders issued in the Decision. Re-opening the process already concluded to establish further workshops or fora would only represent relitigating orders of the Commission and is therefore not an allowed ground for protest.

The CPA protest does not demonstrate that the analysis, calculations or data in the Advice Letter contain material errors or omissions. Neither does it demonstrate that the Advice Letter as filed is unjust, unreasonable or discriminatory. CPA presents no convincing evidence that the Advice Letter does not comply with the Decision.

Regarding CPAs assertion that SCE customers will be charged again to opt-out of potential smart gas meter service, we note that Phase 2 of the consolidated opt-out proceeding will address cost questions related to gas metering. Therefore costs related to gas meters are outside the scope of this Advice Letter. Thus the CPA protest does not satisfy any of the grounds for protest allowed by GO 96-B. As noted above, the Commission finds that the Advice Letter is compliant with the Decision as filed.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the CPUC. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the CPUC's agenda no earlier than 30 days from today.

SCE timely commented on Draft Resolution E-4558, and no changes were requested. There were no substantive revisions to the Draft Resolution.

FINDINGS AND CONCLUSIONS (EFFECTIVE MAY 4, 2012)

1. D.12-04-018 directed SCE to file a Tier 1 Advice Letter to establish procedures to implement a smart meter opt-out option for customers who do not wish to have a wireless smart meter and to establish a Smart Meter Opt-Out Tariff with CPUC specified opt-out fees.
2. SCE filed a Tier 1 Advice Letter 2726-E on May 4, 2012, containing proposed opt-out procedures and two new rate schedules that allow residential electric smart meter opt-out.
3. Staff engaged in discussions with SCE and determined that SCE would allow an opt-out option involving installation of a non-smart digital meter in cases where the customer's "prior meter form" was not a digital meter.
4. Staff determined that allowing a digital meter in these cases did not comply with the Decision and clarified that no new installations of non-smart digital meters would be allowed.
5. Staff also determined that existing TOU customers who opt-out will retain their non-smart digital meters, or will have their smart meter replaced with a non-smart digital meter, if that was the prior meter form.
6. On May 24, 2012, Consumers Power Alliance filed a timely protest.
7. The protest does not include any evidence for its allegations that the procedures for informing customers of the opt-out program or the fees and charges in the AL are not compliant with the Decision.
8. The protest requests additional workshops that are outside the scope of the subject AL.
9. SCE's AL 2726-E complies with the Decision in all other respects.

THEREFORE, IT IS ORDERED THAT:

1. The SCE Advice Letter 2726-E is approved.
2. The protest by Consumers Power Alliance is rejected.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 5, 2013; the following Commissioners voting favorably thereon:

/s/ Paul Clanon
Paul Clanon
Executive Director

MICHAEL R. PEEVEY
President
CATHERINE J.K. SANDOVAL
MARK J. FERRON
CARLA J. PETERMAN
Commissioners

Commissioner Michel Peter Florio, being
necessarily absent, did not participate.